

**FIRE DISTRICT NO. 2  
JOHNSON COUNTY, KANSAS**

**REGULATORY BASIS FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT**

# **FIRE DISTRICT NO. 2, JOHNSON COUNTY, KANSAS**

## **TABLE OF CONTENTS**

INDEPENDENT AUDITOR'S REPORT.....	1
FINANCIAL STATEMENTS:	
Summary Statement of Receipts, Expenditures, and Unencumbered Cash .....	3
Notes to Financial Statements .....	4
REGULATORY – REQUIRED SUPPLEMENTARY INFORMATION	
Summary of Expenditures – Actual and Budget .....	13
Schedule of Receipts and Expenditures – Actual and Budget:	
General Fund .....	14
Ambulance Fund .....	15
Debt Service Fund .....	16
Schedule of Receipts and Expenditures:	
Equipment Replacement Reserve Fund .....	17
Building Replacement Reserve Fund .....	18

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Fire District No. 2, Johnson County, Kansas

### Report on the Financial Statements

We have audited the accompanying statement of receipts, expenditures, and unencumbered cash of Fire District No. 2, Johnson County, Kansas (the District), as of and for the year ended December 31, 2017, and related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed by the *Kansas Municipal Audit and Accounting Guide (KMAAG)* to demonstrate compliance with KMAAG's basis of accounting and budget laws. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1 of the financial statement, the financial statement is prepared by the District to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variance between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2017, or changes in financial position or cash flows thereof for the year then ended.

### **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of December 31, 2017, and the aggregate receipts and expenditures for the year ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures - actual and budget, individual fund schedules of regulatory basis receipts and expenditures - actual and budget, regulatory basis (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

*Troutt, Beeman & Co., P.C.*

Olathe, Kansas  
June 15, 2018

**FIRE DISTRICT NO. 2, JOHNSON COUNTY, KANSAS**  
**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
General fund, General	\$ 83,235	\$ -	\$ 4,437,278	\$ 4,166,673	\$ 353,840	\$ 108,672	\$ 462,512
Special purpose fund, Ambulance	82,506	-	631,334	650,000	63,840	-	63,840
Bond and interest fund, Bond and interest	57,361	-	532,320	484,743	104,938	-	104,938
Reserve funds:							
Equipment	929,898	-	7,718	207,288	730,328	179,813	910,141
Building	10,000	-	-	-	10,000	-	10,000
Total reporting entity	<u>\$ 1,163,000</u>	<u>\$ -</u>	<u>\$ 5,608,650</u>	<u>\$ 5,508,704</u>	<u>\$ 1,262,946</u>	<u>\$ 288,485</u>	<u>\$ 1,551,431</u>

Composition of cash:

Money market accounts, First National Bank	\$ 193,106
Municipal investment pool	1,365,333
Checking accounts, First National Bank	(7,308)
Petty cash	<u>300</u>
Total reporting entity	<u>\$ 1,551,431</u>

See accompanying notes.

## FIRE DISTRICT NO. 2, JOHNSON COUNTY, KANSAS

### NOTES TO FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity: Fire District No. 2, Johnson County, Kansas (the District), was created June 6, 1974, by the Board of County Commissioners of Johnson County, under the provisions of K.S.A. 19-3613. The District is governed by a five member Board of Directors that is appointed by the Third District Commissioner and must reside in the fire district area. The Board of Directors helps to oversee the operation of the District's fire department and selection of regular fire department employees. The District's service area is comprised of approximately 140 square miles of Johnson County and Miami County. The District's financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 3100 of the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, include whether:

1. The organization is legally separate (can sue and be sued in their own name).
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's Board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit or burden on the District.
6. There is fiscal dependency of the organization by the District.

Based on the aforementioned criteria, Fire District No. 2, Johnson County, Kansas, has no component units.

Basis of Accounting: The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities, or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

## FIRE DISTRICT NO. 2, JOHNSON COUNTY, KANSAS

### NOTES TO FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Reimbursements: A reimbursement is an expenditure or expense initially made in one fund, but properly attributable to another fund. For example, it is common for the general fund to pay a vendor's bill and have portions of it reimbursed by other funds. In accounting for such reimbursements, the District records an expenditure in the reimbursing fund and a reduction of expenditure in the reimbursed fund, following the authoritative guidance provided under KMAAG regulatory basis accounting.

#### Regulatory Basis Fund Types:

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund – used to account for the proceeds of specific tax levies and other specific regulatory sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds, and payment of general long-term debt.

Budgetary Information: Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), principal and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year ended December 31, 2017.

## FIRE DISTRICT NO. 2, JOHNSON COUNTY, KANSAS

### NOTES TO FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

##### Budgetary Information (Continued):

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, fiduciary funds, permanent funds, and the following special purpose fund:

##### Building Replacement Reserve Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Investments: The District invests in authorized investment pools. Investments are carried at fair value.

Cash and Cash Equivalents: Cash of all funds, excluding the District's payroll clearing account, is pooled in a common interest bearing bank account in order to maximize investment opportunities.

Inventories and Prepaid Expenses: Inventories and prepaid expenses, which benefit future periods, are recorded as expenditures during the year of purchase as required by state statute.

Capital Assets: The expenditures for capital assets are reflected in the year the expenditures are made. No estimated useful lives, in years, have been calculated for depreciation purposes for fixed assets.

# FIRE DISTRICT NO. 2, JOHNSON COUNTY, KANSAS

## NOTES TO FINANCIAL STATEMENTS

### 2. RISK MANAGEMENT:

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance. There have been no significant reductions in insurance coverage from the prior year.

### 3. DEPOSITS AND INVESTMENTS:

At December 31, 2017, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities Less than 1 year</u>	<u>Rating</u>
Kansas Municipal Investment Pool	<u>\$ 1,365,333</u>	<u>\$ 1,365,333</u>	S&P AAf/S1+

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. The rating of the District's investments is noted above.

*Concentration of credit risk.* State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405. The District's allocation of investments as of December 31, 2017, is as follows:

<u>Investments</u>	<u>Percentage of Investments</u>
Kansas Municipal Investment Pool	100%

## FIRE DISTRICT NO. 2, JOHNSON COUNTY, KANSAS

### NOTES TO FINANCIAL STATEMENTS

#### 3. DEPOSITS AND INVESTMENTS (Continued):

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods". All deposits were legally secured at December 31, 2017.

At December 31, 2017, the District's carrying amount of deposits was \$185,798 and the bank balance was \$81,773. The entire bank balance was covered by federal depository insurance.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

At December 31, 2017, the District had invested \$1,365,333 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than 10% of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

#### 4. COMPENSATED ABSENCES:

**Vacation leave** – Vacation leave shall be earned from the most recent date of employment. Leave is accrued by full time employees at a rate based on the years of service completed with the District, the work assignment, and the customary number of hours in the pay period. Employees are allowed to carry over unused vacation leave from year to year. The maximum amount any employee can accrue at any time is twice their annual accrual amount. Upon termination, an employee shall be compensated for all earned but unused vacation leave at their final rate of pay. The estimated liability for accrued vacation leave at December 31, 2017, is \$219,980.

**Sick leave** – The District's policy allows employees to accrue sick leave on a monthly basis. Shift employees in regular full-time positions accrue one working day each month of service. Forty hour per week employees in regular full-time positions accrue two working days for each month of service. There is no maximum accrual. No unused accumulated sick pay is paid at any time.

# FIRE DISTRICT NO. 2, JOHNSON COUNTY, KANSAS

## NOTES TO FINANCIAL STATEMENTS

### 5. LONG-TERM DEBT:

The District has issued General Obligation Bonds Series 2006A dated March 1, 2006, in the amount of \$1,055,000 for the purpose of fire station upgrades and remodeling. Also, the District issued General Obligation Bonds Series 2007A dated November 15, 2007, in the amount of \$3,000,000 for the purpose of acquiring new fire apparatus. The District has issued General Obligation Bonds Series 2015A dated May 13, 2015, in the amount of \$2,585,000 for the purpose of building a new fire station.

A summary of general long-term debt is as follows:

#### General obligation bonds:

\$1,055,000 Series 2006-A, dated March 1, 2006, due in annual installments of \$65,000 to \$85,000, until maturity on September 1, 2021, interest at 3.5% to 5%	\$ 355,000
---	------------

\$3,000,000 Series 2007-A, dated November 15, 2007, due in annual installments of \$280,000 to \$400,000, until maturity on September 1, 2018, interest at 3.45% to 4.25%	380,000
---	---------

\$2,585,000 Series 2015-A, dated May 13, 2015, due in annual installments of \$190,000 to \$245,000, until maturity on September 1, 2030, interest at 1.5% to 3%.	<u>2,585,000</u>
---	------------------

Total long-term debt	<u>\$ 3,320,000</u>
----------------------	---------------------

Changes in the District's long-term debt balances for the year ended December 31, 2017, were as follows:

	Balance January 1, 2017	Additions	Retirements	Balance December 31, 2017	Amounts Due Within One Year
General obligation bonds	<u>\$ 3,760,000</u>	<u>\$ -</u>	<u>\$ 440,000</u>	<u>\$ 3,320,000</u>	<u>\$ 465,000</u>

# FIRE DISTRICT NO. 2, JOHNSON COUNTY, KANSAS

## NOTES TO FINANCIAL STATEMENTS

### 5. LONG-TERM DEBT (Continued):

Aggregate annual principal and interest payments applicable to long-term debt are:

Years Ending December 31,	Principal	Interest	Total
2018	\$ 465,000	\$ 91,882	\$ 556,882
2019	275,000	74,128	349,128
2020	285,000	67,962	352,962
2021	295,000	60,462	355,462
2022	205,000	52,662	257,662
2023-2027	1,075,000	193,938	1,268,938
2028-2030	720,000	43,501	763,501
	<u>\$ 3,320,000</u>	<u>\$ 584,535</u>	<u>\$ 3,904,535</u>

### 6. PROPERTY TAXES:

In accordance with governing state statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County.

Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property.

The estimated assessed valuation of tangible property for the purpose of local taxation as of July 1, 2016, was \$262,309,569. The tax levy per \$1,000 assessed valuation of tangible real and personal property for the calendar year of 2017 was as follows:

General Fund	15.102
Ambulance	1.663
Bond and interest #4	1.547
Bond and interest #5	0.296
	<u>18.608</u>

## FIRE DISTRICT NO. 2, JOHNSON COUNTY, KANSAS

### NOTES TO FINANCIAL STATEMENTS

#### 7. DEFINED BENEFIT PENSION PLAN:

*Plan description.* The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *ET seq.* Kansas law establishes and amends benefits provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 S Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Contributions.* K.S.A. 74-4919 and K.S.A. establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015 Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414 (h) of the Internal Revenue Code.

State law provides that the employer contribution rates of KPERS 1, KPERS 2, and KPERS 3 be determined based on results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for Death and Disability Program) and the statutory contribution rate was 8.46% for the fiscal year ended December 31, 2017. Contributions to the pension plan from the District were \$259,784 for the year ended December 31, 2017.

#### Net Pension Liability

At December 31, 2017, the District's proportionate share of the collective new pension liability reported by KPERS was \$2,405,667. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The District's proportion of the net pension liability based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employer and publicly available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

## **FIRE DISTRICT NO. 2, JOHNSON COUNTY, KANSAS**

### **NOTES TO FINANCIAL STATEMENTS**

#### **8. EVALUATION OF SUBSEQUENT EVENTS:**

In December 2017 the board approved the District to move their retirement plan from KPERS to KP&F effective 1/1/18.

In June of 2018 the Board of County Commissioners of Johnson County, Kansas adopted Resolution No. 043-18 to change the governing body of Fire District No. 2. The Board of County Commissioners has taken over as the governing body of the District as allowed under State Statues.

The District has evaluated subsequent events through June 15, 2018, the date which the financial statements were available to be issued.

**REGULATORY – REQUIRED SUPPLEMENTARY INFORMATION**

FIRE DISTRICT NO. 2, JOHNSON COUNTY, KANSAS  
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General fund, General fund	\$ 4,367,355	\$ -	\$ 4,367,355	\$ 4,166,673	\$ 200,682
Special purpose, Ambulance	650,000	-	650,000	650,000	-
Bond and interest, Debt service	484,743	-	484,743	484,743	-
Special equipment, Replacement reserve	<u>240,000</u>	<u>-</u>	<u>240,000</u>	<u>207,288</u>	<u>32,712</u>
Total	<u>\$ 5,742,098</u>	<u>\$ -</u>	<u>\$ 5,742,098</u>	<u>\$ 5,508,704</u>	<u>\$ 233,394</u>

See accompanying notes.

FIRE DISTRICT NO. 2, JOHNSON COUNTY, KANSAS  
GENERAL FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	ACTUAL	BUDGET	VARIANCE OVER (UNDER)
RECEIPTS:			
Ad valorem taxes	\$ 2,651,534	\$ 2,705,806	\$ (54,272)
Delinquent taxes	18,403	-	18,403
Recreation vehicle tax	4,726	3,183	1,543
Motor vehicle tax	304,498	297,206	7,292
Heavy truck tax	18,113	18,544	(431)
Reimbursement and miscellaneous	59,264	25,000	34,264
Miami County Fire District	186,579	186,578	1
City of Spring Hill	579,635	562,635	17,000
City of Overland Park	601,240	580,000	21,240
Sale of surplus equipment	10,254	-	10,254
Interest on idle funds	3,032	-	3,032
Total receipts	<u>4,437,278</u>	<u>\$ 4,378,952</u>	<u>\$ 58,326</u>
EXPENDITURES:			
Payroll, payroll taxes, and employee benefits	4,150,644	4,273,155	122,511
Training and tuition	32,214	36,000	3,786
Uniforms and bunker gear	37,478	33,000	(4,478)
Ambulance - consumable supplies and fees	8,322	9,200	878
Fire - consumable supplies	804	6,000	5,196
Fire prevention	-	3,100	3,100
Communication - telephones, radios, and pagers	61,826	64,200	2,374
Truck, ambulance, and auto - maintenance, title, and fuel	122,853	138,000	15,147
Maintenance of equipment and tool purchases	48,386	35,500	(12,886)
Utilities	60,290	66,500	6,210
Insurance - buildings and equipment	73,210	65,000	(8,210)
Administrative and office	22,007	18,200	(3,807)
Capital outlay - new equipment and buildings (non-major)	9,686	5,000	(4,686)
Legal	36,765	18,000	(18,765)
Repairs and maintenance - equipment and buildings	36,434	39,000	2,566
Accounting, auditing, budgeting, and payroll services	30,619	31,000	381
Ambulance run fee billing service	19,568	15,000	(4,568)
Med-Act trip charges	2,154	4,000	1,846
Interest expense	63,413	85,000	21,587
Less - unallocated ambulance expenses included	(650,000)	(650,000)	-
Operating transfers	<u>-</u>	<u>72,500</u>	<u>72,500</u>
Total expenditures	<u>4,166,673</u>	<u>\$ 4,367,355</u>	<u>200,682</u>
RECEIPTS OVER (UNDER) EXPENDITURES	270,605	11,597	<u>\$ 259,008</u>
UNENCUMBERED CASH BALANCE, BEGINNING	<u>83,235</u>		
UNENCUMBERED CASH BALANCE, ENDING	<u>\$ 353,840</u>		

See accompanying notes.

FIRE DISTRICT NO. 2, JOHNSON COUNTY, KANSAS  
 AMBULANCE FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	ACTUAL	BUDGET	VARIANCE OVER (UNDER)
RECEIPTS:			
Ad valorem taxes	\$ 291,980	\$ 297,966	\$ (5,986)
Delinquent taxes	2,238	-	2,238
Recreation vehicle tax	727	393	334
Motor vehicle tax	37,038	36,681	357
Heavy truck tax	2,024	2,289	(265)
Miami Co Fire District	38,500	38,500	-
Ambulances run fees	258,824	200,000	58,824
Interest on idle funds	3	-	3
Total receipts	<u>631,334</u>	<u>\$ 575,829</u>	<u>\$ 55,505</u>
EXPENDITURES:			
Unallocated ambulance expenses	<u>650,000</u>	<u>650,000</u>	<u>-</u>
Total expenditures	<u>650,000</u>	<u>\$ 650,000</u>	<u>-</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(18,666)	(74,171)	<u>\$ 55,505</u>
UNENCUMBERED CASH BALANCE, BEGINNING	<u>82,506</u>		
UNENCUMBERED CASH BALANCE, ENDING	<u>\$ 63,840</u>		

See accompanying notes.

FIRE DISTRICT NO. 2, JOHNSON COUNTY, KANSAS  
DEBT SERVICE FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	ACTUAL	BUDGET	VARIANCE OVER (UNDER)
RECEIPTS:			
Ad valorem taxes	\$ 475,011	\$ 410,361	\$ 64,650
Delinquent taxes	2,409	-	2,409
Recreation vehicle tax	645	451	194
Motor vehicle tax	48,590	42,045	6,545
Heavy truck tax	2,329	2,623	(294)
Excise tax	-	-	-
Interest income	3,336	-	3,336
Total receipts	<u>532,320</u>	<u>\$ 455,480</u>	<u>\$ 76,840</u>
EXPENDITURES:			
Bond principal payment	440,000	440,000	-
Interest payments	<u>44,743</u>	<u>44,743</u>	-
Total expenditures	<u>484,743</u>	<u>\$ 484,743</u>	-
RECEIPTS OVER (UNDER) EXPENDITURES	47,577	(29,263)	<u>\$ 76,840</u>
UNENCUMBERED CASH BALANCE, BEGINNING	<u>57,361</u>		
UNENCUMBERED CASH BALANCE, ENDING	<u>\$ 104,938</u>		

See accompanying notes.

FIRE DISTRICT NO. 2, JOHNSON COUNTY, KANSAS  
EQUIPMENT REPLACEMENT RESERVE FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	ACTUAL	BUDGET	VARIANCE OVER (UNDER)
RECEIPTS:			
Interest income	\$ 7,718	\$ -	\$ 7,718
Operating transfers	<u>-</u>	<u>100,000</u>	<u>(100,000)</u>
Total receipts	<u>7,718</u>	<u>\$ 100,000</u>	<u>\$ (92,282)</u>
EXPENDITURES:			
Equipment purchases	<u>207,288</u>	<u>240,000</u>	<u>32,712</u>
Total expenditures	<u>207,288</u>	<u>\$ 240,000</u>	<u>32,712</u>
RECEIPTS (UNDER) EXPENDITURES	<u>(199,570)</u>	<u>(140,000)</u>	<u>\$ (59,570)</u>
UNENCUMBERED CASH BALANCE, BEGINNING	<u>929,898</u>		
UNENCUMBERED CASH BALANCE, ENDING	<u>\$ 730,328</u>		

See accompanying notes.

FIRE DISTRICT NO. 2, JOHNSON COUNTY, KANSAS  
BUILDING REPLACEMENT RESERVE FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>ACTUAL</u>
RECEIPTS	\$ <u>-</u>
EXPENDITURES	<u>-</u>
RECEIPTS (UNDER) EXPENDITURES	-
UNENCUMBERED CASH BALANCE, BEGINNING	<u>10,000</u>
UNENCUMBERED CASH BALANCE, ENDING	\$ <u>10,000</u>

See accompanying notes.